

BANNER CORPORATION

	CPP Disbursement Date 11/21/2008	RSSD (Holding Company) 2126977	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2010 \$ millions	2011 \$ millions	%chg from prev		
Assets	\$240	\$232	-3.4%		
Loans	\$195	\$182	-6.4%		
Construction & development	\$17	\$15	-14.2%		
Closed-end 1-4 family residential	\$44	\$40	-8.8%		
Home equity	\$23	\$22	-3.8%		
Credit card	\$0	\$0	-23.2%		
Other consumer	\$4	\$4	-13.0%		
Commercial & Industrial	\$7	\$4	-38.2%		
Commercial real estate	\$95	\$94	-1.0%		
Unused commitments	\$24	\$20	-16.3%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$0	\$0			
Asset-backed securities	\$0	\$0			
Other securities	\$0	\$0			
Cash & balances due	\$31	\$35	15.5%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$0	\$0			
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$0	\$0			
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$211	\$202	-4.2%		
Deposits	\$208	\$200	-3.5%		
Total other borrowings	\$0	\$0	12.3%		
FHLB advances	\$0	\$0	12.3%		
Equity					
Equity capital at quarter end	\$29	\$30	3.2%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$0	NA		
Performance Ratios					
Tier 1 leverage ratio	11.2%	12.1%	--		
Tier 1 risk based capital ratio	13.2%	14.8%	--		
Total risk based capital ratio	14.4%	16.1%	--		
Return on equity ¹	7.5%	4.3%	--		
Return on assets ¹	0.9%	0.5%	--		
Net interest margin ¹	4.8%	4.6%	--		
Coverage ratio {(ALLL+Alloc transfer risk)/Noncurrent loans})	40.8%	43.3%	--		
Loss provision to net charge-offs (qtr)	370.4%	88.0%	--		
Net charge-offs to average loans and leases ¹	0.2%	0.7%	--		
¹ Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2010	2011	2010	2011	
Construction & development	4.7%	5.4%	0.0%	0.0%	--
Closed-end 1-4 family residential	7.9%	9.6%	0.0%	0.0%	--
Home equity	1.3%	0.9%	0.0%	1.1%	--
Credit card	2.4%	0.9%	0.7%	0.5%	--
Other consumer	6.4%	4.9%	0.9%	0.1%	--
Commercial & Industrial	2.2%	3.0%	0.5%	2.3%	--
Commercial real estate	1.4%	1.3%	0.0%	0.0%	--
Total loans	3.2%	3.7%	0.0%	0.2%	--